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DFD-0932-62

12 February 1962

MEMORANDUM FOR THE RECORD

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SUBJECT : Discussion with Hughes Aircraft Company
on Incentive Pay for [REDACTED] Work

REFERENCE : HAC Ltr. to Temp dtd. 27 December 1961

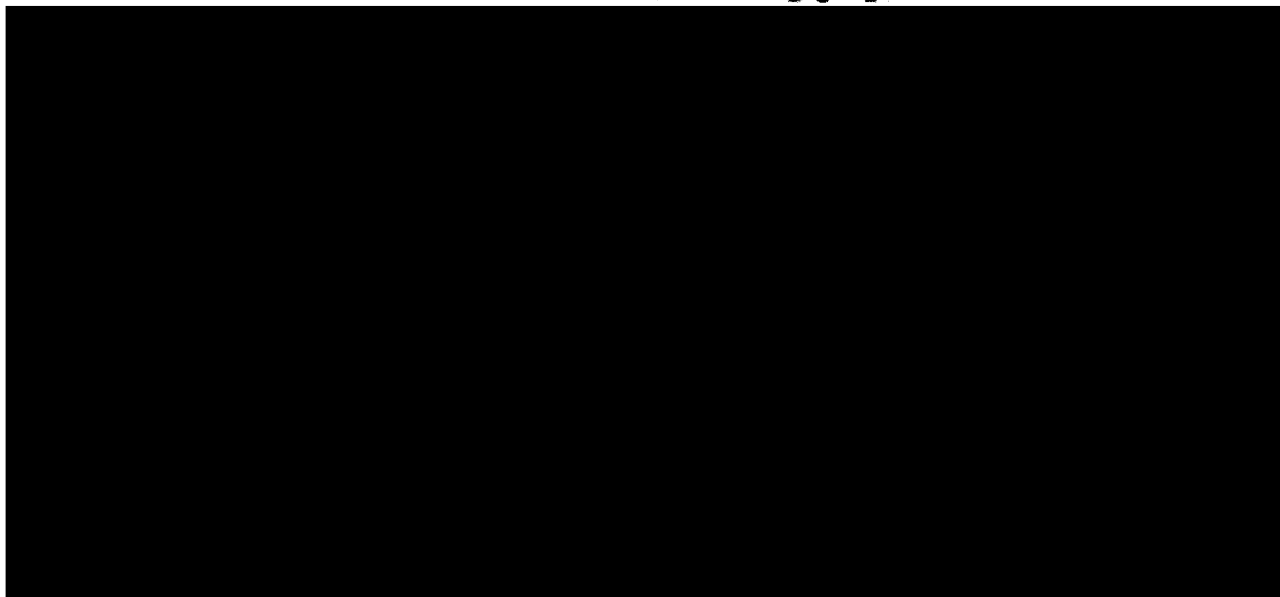
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1. Contract No. JM-1921 with HAC was written by CS/DFD on behalf of the [REDACTED] Program. This contract covered the design, development, fabrication, and tests of the AGO-18 and GAR-9 Fire Control and Missiles Systems. Included in the overall contract estimated cost and fixed fee was an amount for flight test and test support of the system in the AF-12 Vehicle for approximately 36 aircraft months.

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2. In an effort to establish an acceptable billing rate and policy for determining final cost, the Contractor submitted the referenced letter as his proposal. On 30 January the undersigned met with [REDACTED] and Messrs. Warnock, Carlson and Peters from HAC to discuss the foregoing.

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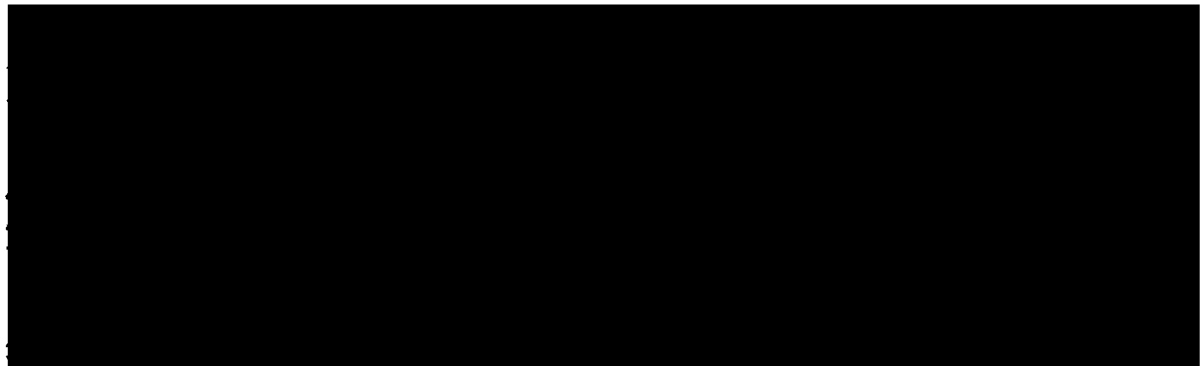
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4. The Government representatives after considerable discussion with the Contractor succeeded in bringin him "in to line" as much as possible with the other suppliers who will be at the [REDACTED] Faced with a Company Policy of paying employees [REDACTED] per week for separation from [REDACTED] and the necessity for added inducement to recruit employees for the [REDACTED] the following agreements were reached:

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5. Contractor's personnel are to use shuttle from [REDACTED] as long as possible. However, with a estimated requirement for 53 persons it may become necessary to operate a HAC airplane directly from [REDACTED] HAC was asked to investigate the feasibility and cost for such an operation and submit a proposal.

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6. HAC also stated a requirement for Project Engineering Supervisors to occasionally make intermittent or trouble shooting trips to the [REDACTED] They have proposed that they be allowed to use their Aero Commander for such purposes direct from [REDACTED] While not conveying any indication of approval for this the undersigned requested the Security Questionnaires be submitted on appropriate air crew personnel for determination by DFD Security and Development Branches.

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CS/DPD DD, [REDACTED]
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Deputy Chief Contracts Staff, DFD-DD/P

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